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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/766,297	01/19/2001	Thomas A. Arnold	53588-0031	9629

29989 7590 05/06/2005

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EXAMINER

WEISBERGER, RICHARD C

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 05/06/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/766,297

Applicant(s)

ARNOLD, THOMAS A.

Examiner

Richard C Weisberger

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-32 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-32 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 18 May 2001 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. ____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date ____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: ____.

DETAILED ACTION

Claim Rejections - 35 USC § 112

1. Claims 1-32 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In claim 1 and elsewhere causing said authorization data to be recorded persistently to comply with laws or regulations governing retention of authorizations for electronic check payments is vague and indefinite since the laws and regulations are undefined. In claim 5 and elsewhere fraud control operations are indefinite in scope.

Claim Rejections - 35 USC § 102

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. Claims 1-32 are rejected under 35 U.S.C. 102(b) as being clearly anticipated by Anderson, The Electronic Check Architecture.

The reference teaches the concept of an electronic check that is designed to perform the settlement, payment and other financial functions of paper check. See Figures 1-5. The system includes message integrity, authentication, and secure messaging. The method is executed over a public network. As described in the text, a business

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transaction begins with the payee sending an invoice or bill to the payer, which is processed by the payer's accounts payable system. When the time comes to pay the invoice, the invoice information is retrieved from the accounts payable system, and the invoice data is used to create an echeck. The echeck includes familiar check information such as the payee's name, the amount, and the date and the account information. To sign the echeck, the payer enters a pin to unlock an electronic checkbook: card in the form of a smart card. This card is a secure container for the payer's private signature key, and assures a degree of non-repudiation. The signature on the echeck may also cryptographically bind a copy of the invoice to the echeck, so that an attacker cannot substitute a different invoice in order to commit fraud. The invoice format is not fixed, but it can be flexible with respect to length, format and data content, so that the payer can return the document received from the payee. This provides the payee with the complete information needed to correctly post the payment. The signed echeck and invoice is sent to the payee by email or a web transaction. The payee verifies the payer's signature on the echeck mid invoice, detaches the invoice information; and posts the payment to accounts receivable. The payee enters his PIN to unlock his electronic checkbook and uses the electronic checkbook to endorse the echeck and to sign an electronic deposit slip to deposit a batch of echecks. The endorsed echeck is forwarded to the payee's bank for deposit and subsequent clearing. The clearing process can be done by integrating echeck into existing Electronic Check Presentment systems or other clearing and settlement systems. Both the payee's bank and payer's bank verify all signatures on the echeck and endorsement using a two layer

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certificate system which links the signature verification keys to the signer and signer's bank account. The paying bank verifies that this transmission of the echeck is not a duplicate, that the payer's certificate and account are currently valid, and posts the echeck to the payer's Demand Deposit Account (DDA). Finally, the payer receives a line item on his statement, which may now carry a full description of the transaction, since the entire contents of the echeck are machine-readable. Echecks have been designed so that the integrity, authentication and non-repudiation properties of public key signatures are sufficient to protect against fraud. Furthermore, to protect the paper check accounts against fraud, echecks use different bank account numbers, which are valid only for cryptographically signed echecks. Since encryption is not required to prevent fraud, the echeck technology is compatible with export policies regarding encryption technology. The echeck may be encrypted over any of the transmission links for privacy reasons, using encryption technology of a type and strength consistent with regulations governing each situation.

In addition the reference teaches that it would be an obvious extension of the echeck technology for the payee's bank to collect the funds from the payer's bank by generating an ACH debit, this extension would involve legal and regulatory considerations that go beyond checking.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Richard C Weisberger whose telephone number is 703 308 4408.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vince Millin can be reached on 703 308 1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Richard C Weisberger
Primary Examiner
Art Unit 3624



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